

C O U N C I L C O M M U N I C A T I O N

TO: THE CITY COUNCIL
FROM: THE CITY MANAGER'S OFFICE

COUNCIL MEETING DATE:
October 3, 1990

SUBJECT: AUTHORIZE APPROVAL OF CONTRACT FOR WORKERS' COMPENSATION ADMINISTRATOR

PREPARED BY: Joanne Narloch, Personnel Director

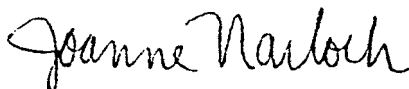
RECOMMENDED ACTION : That the City Council approve awarding the contract for
third-party Workers' Compensation Administration to
Greenfield-Thompson Associates, Inc.

BACKGROUND INFORMATION: On August 16, 1990, the City of Lodi solicited bids for
proposal for administering the workers' compensation
program. Nine proposals were received and reviewed in
accordance with the criteria outlined in the request for
proposal.

Four firms were invited to participate in an oral interview.
It is felt that Greenfield-Thompson Associates, Inc. is best
able to meet the needs of the City. The cost for contract
administration is a flat annual fee of **\$52,800**. In addition
there is a one-time program implementation fee of \$3,500,
which still places them below the median bid.

Attached is a copy of the draft contract for your approval.
The City Attorney will review the contract language and make
any modifications necessary.

Respectfully Submitted,



Joanne Narloch
Personnel Director

JN/la

Attachment

DRAFT**SERVICE AGREEMENT**

This Agreement is entered into by and between GREENFIELD-THOMPSON ASSOCIATES, INC., hereinafter called "Service Company" and THE CITY OF LODI, hereinafter called "Employer", this 1st day of November, 1990.

WITNESSETH

WHEREAS, Service company is in the business of providing claims administrative assistance to California self-insured employers subject to the California Workers' Compensation Laws; and

WHEREAS, Employer holds a Certificate of Consent to Self-Insure issued by the California Director Of Industrial Relations and said Employer is subject to the California Workers' Compensation Laws; and

WHEREAS, Employer desires to purchase Claims Administration Services from Service company as hereinafter set forth below:

NOW, THEREFORE, in consideration of the policies, covenants and obligations of the parties hereinafter set forth, it is agreed as follows:

Service Company using individuals who in the opinion of the Service Company are competent, capable and experienced agrees, during the period of time this Agreement is in effect between the parties:

1. To review on behalf of Employer all reports of injury as defined by California Labor Code Sections 3208 and 3208.1 that are reported by Employer to Service Company.
2. To determine on behalf of Employer for each reported employee injury those benefits, if any, that should be paid or rendered under the California Workers' Compensation Laws.
3. To establish and maintain a claim file on each reported claim, which file shall be available to Employer for inspection *without advance notice*.
4. To maintain an estimate of the total costs of all reasonable and foreseeable benefits and related expenses on each case.

5. To prepare and file on behalf of the Employer legally required forms with the Administrative Director and the Rehabilitation Bureau of the California Division of Industrial Accidents.
6. To pay on behalf of the Employer from a bank trust account funded by Employer those sums that should reasonably be paid under the California Workers' Compensation Laws *for* each reported claim.
7. To refer cases where an employee of Employer files an application with the California Workers' Compensation Appeals Board to attorneys selected and approved by Employer.
8. To render assistance as is reasonably necessary in the preparation of litigated cases.
9. To pay on behalf of Employer out of the bank trust account funded by Employer all "allocated loss expense" which is defined to include all fees of attorneys,, witnesses, court reporters, process servers, independent investigators, any court or Workers' Compensation Appeals Board, for depositions, surveillance or the necessary engagement of personnel in the handling of any claim subject to this Agreement.
10. To provide a computerized loss analysis and summary ~~each month~~ *by the 15th of the month.*
11. All conditions set forth in the proposal of September 11, 1990, are hereby incorporated into this contract.

Employer agrees:

1. To promptly report all employee injuries and forward to Service Company the Employer's Report of occupational Injury or Illness, all letters, correspondence or any other information, oral or written, received by Employer which is or could be relevant to the efficient and proper handling of any reported injury.
2. To fully cooperate with Service Company in the performance of this Agreement.
3. To maintain or participate in a pooled or trust type account which at all times shall contain sufficient funds from which service Company is

authorized to make all payments as required by this Agreement,

4. To provide Service Company with all necessary data, payroll, financial and whatever else is required to enable Service Company to perform under this agreement.
5. To promptly pay to Service Company all service fees provided by this agreement.

RENEWAL AND TERMINATION PROVISIONS

1. This Agreement shall be in effect from November 1, 1990, to October 31, 1991, and renewed automatically every year thereafter provided, however, that this Agreement may be cancelled by either party by mailing to the other party (60) day written notice of cancellation.
2. The fees, terms or conditions of this Agreement may be modified in writing with the consent of the parties.
3. Upon termination of this Agreement, a final accounting shall be made of the fees payable to Service Company and any funds belonging to Employer in the possession of Service Company and any balance due either party will be promptly paid by the debtor party.
4. All original claim files, records, reports, and material pertaining to employee claims subject to this Agreement shall be the property of Employer and shall be available to Employer upon termination of this Agreement. *computer tapes,*
5. In the event Employer purchases Workers' Compensation Insurance or its Certificate of Consent to Self-Insure is rescinded or revoked, this Agreement is terminated and cancelled as of the effective date of either event.

ASSIGNMENT

Neither party shall assign this Agreement or any part hereof without the written consent of the other party. This provision is not intended to restrict Service Company from engaging, at the expense of Employer, investigative or other personnel as said Service Company deems reasonably advisable.

INDEMNIFICATION AND HOLD HARMLESS**Indemnification of Employer**

Service Company shall indemnify and hold Employer harmless from and against all claims, demands, actions or causes of action that may arise from the conduct, acts, or failure to act of Service Company's personnel, including but not limited to claim demands, actions, causes of action and attorney fees, based upon assault, battery, false imprisonment, defamation, invasion of privacy, false arrest, trespass, or wrongful death of any person or loss or damage to the property of any person.

Defense of Service Com

Employer will defend and hold Service Company harmless in those cases where Service Company is named in a filed complaint, simply by virtue of the fact that they are the adjusting company on the given claim, and in no way caused damage to the plaintiff, i.e., the action is spurious as to the Service Company.

penalties and Fines Pursuant to the Workers' Compensation Reform Act

1. Penalties and fines resulting from Service Company's negligence will be paid by Service Company.
2. Penalties and fines resulting from Employer's negligence or late filings or incurred as a result of action or inaction directed by Employer will be borne by Employer.

NOTICES

All notices which may be, or are, required to be given under this Agreement shall be sent to the respective parties at the address set forth below. The places to which such notices are to be sent may be changed from time to time by either party by a written notice as herein provided:

If to Service Company: GREENFIELD-THOMPSON ASSOCIATES
P.O. Box 1885
Pleasanton, CA 94566
Attn: Deborah S. Greenfield
President

If to Employer: THE CITY OF LODI
221 West Pine Street
Lodi, CA 95240
Attn: Joanne Naxloch
Personnel Director

SERVICE FEES

The fees paid by Employer to Service Company under this Agreement are for services rendered by Service Company during the twelve month period this Agreement is in effect, and the service Company assumes no obligation or responsibility for services beyond an earlier termination date.

CLAIM ADMINISTRATION: A flat annual fee of \$52,800 payable in equal monthly installments of \$4,400 due, advance, the first of each month beginning November 1, 1990, to administer 125 new claims, all open medical-only take over and 125 open indemnity takeover claims. Claims reported in excess of 125 open indemnity takeover claims or 125 new claim reported during the first year will be administered at a fee per claim of \$325.00.

PROGRAM IMPLEMENTATION FEE: A one-time program implementation fee of \$3,500.00 will be made prior: to October 1, 1990.

November

SAFETY AND HEALTH CONSULTING SERVICES/INDUSTRIAL HYGIENE:

The charge for loss control consulting services is an hourly rate of \$41. to \$125. per hour, plus expenses. These services will be estimated on a project by project basis with guaranteed costs "not to exceed". The charge for industrial hygiene services is on an "as need" basis hourly, plus expenses.

FIELD INVESTIGATION AND OTHER OUTSIDE SERVICES:

The charge for field and investigation services and outside services such as mandatory conference, hearing or trial attendance is \$59.00 per hour, plus expenses.

SPECIAL OR ADDITIONAL COMPUTER INFORMATION:

All reports, data processing, training and services outlined in the proposal presented to the Employer are included in the annual fee. If additional reports, special reports, conversion or special programming or information is needed, costs will be actual as incurred. Data conversion costs will be billed separately, not to exceed \$2,500. per conversion.

GOVERNING LAW

This Agreement shall be interpreted and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first hereinabove written.

THE CITY OF LODI

GREENFIELD-THOMPSON ASSOCIATES

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____